The political pulse

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The 1982 Idaho Legislature . . .

Legislators opposed to state tax raises

(EDITOR'S NOTE: This is the first in a series of 16 articles giving the views of east Idaho legislators and the leadership on the salient issues shaping up for the coming session. This one deals on the state taxes.)

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Almost in one voice, east Idaho legislators express firm opposition to any general tax increases in the 1982 Legislature, except for the most critical situation.

If they deem one is needed, most pick the sales tax as the fairest. A number said a mineral severance tax will come eventually but this is not the year at a time when Bunker Hill is closing down and the mineral market is in a slump.

House Speaker Ralph Olmstead, R-Twin Falls, said "few changes are needed" and his sentimement appears echoed by most of his fellow lawmakers.

House Minority Leader Melvin Hammond, D-Rexburg, expressed the same sentiment but added that somewhere down the line a mineral severance tax can be imposed. He said the present tax relief for senior citizens and homestead exemptions should be continued.

Assistant House Majority Leader Darwin Young, R-Blackfoot, appointed only Tuesday to the State Tax Commission, said he is against any tax increases but that he would favor funding homestead exemption from the general fund, rather than the property tax. He also supports continuing the circuit breaker.

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Sen. Israel Merrill, D-Blackfoot, appears the only one to split sharply from his colleagues. He advocated a severance tax, user tax, license fee increase to $50 per autos, $75 for all trucks and pickups and more, depending on use, while out-of-state vehicles must be licensed within 30 days. He also agrees to continuing the present tax relief for homestead exemptions and circuit breaker.

Nearly all other legislators also agreed to continuing the present major tax relief of homestead exemptions and circuit breaker, along with no new taxes.

Sen. J. Marsden Williams, R-Idaho Falls, said if there must be a cut that perhaps homestead exemption can be eliminated. He also said he would favor substituting sales tax replacing the property tax.

Rep. Kurt L. Johnson, R-Idaho Falls, deviated from the consensus to choose the income tax as the most fair.

"Revolutionary changes need to be made in tax and appropriation distributions," said Johnson, chairman of the House Education Committee. "There should be more segregation between higher education, public schools, health and welfare and vocational education. Funding needs to be made so the annual uncertainty of these and other state agencies can be decreased."

Somewhat like Williams, Rep. Linden B. Bateman, R-Idaho Falls, said he would favor a change in the tax system with a reduction in property tax and increase in sales tax.

"I have found that most people favor the sales tax over the property tax," he said. "The property taxes often do no relate to income. Economic conditions do no justify a general fund and tax increase.

"I believe that the property tax should be almost totally limited to property-related services, such as fire and police protection, road improvements, etc. It should not be used to fund education except for bonding purposes or as an enrichment levy. The property tax now used for the maintenance and operation of schools should be eliminated and be replaced with the sales tax."

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Sen. William L. Floyd, R-Idaho Falls, who headed the movement for the severance tax in the 1981 session, acknowledged "it would be a long row to hoe before broad acceptance of a severance tax." He said it may take years. He added the sales tax is probably the most widely accepted and expressed doubt for any kind of tax relief in view of economic conditions and agency needs.

Rep. Wayne E. Tibbitts, R-Lorenzo, said he would favor continuance of the homestead exemption only.

He expressed opposition to any other type of taxes, saying that in view of the depressed economic conditions, nothing along this line should be considered.

Tibbitts, who has served nine terms, said he is as yet undecided whether to run again. He said his decision will be based largely on what he encounters in the coming Legislature.

Tibbitts said he is especially interested in public land issues and is interested in pressing the Sagebrush Rebellion for the state to acquire control of Bureau of Land Management lands.

Rep. Ray E. Infanger, R-Salmon, put it even more strongly, saying "tax increases are as out of date as last year's calendar. The taxpayer is only interested in cuts. My ears are open to their cries."

He then asks "why aren't newspapers interested in taxpayers in this period of inflation?"

Sen. Dane Watkins, R-Idaho Falls, member of the JFAC, agreed to continuance of the senior citizens circuit breaker property relief law.

"If there is enough money we should conform our state laws to the recenty passed federal Economic Recovery Tax Act of 1981," he said. "This would help Idaho with incentives to get the economy rolling."

Rep. Gary L. Payman, R-Idaho Falls, said "I hope it is not necessary to enact any type of taxes. It would appear to meet that the sales tax is the easiest to collected.

"With a down economy, the severance tax will be hard to come buy. I feel the homestead exemption continuance is okay."

Rep. John O. Sessions, R-Driggs, said if additional taxes are absolutely necessary he would first favor a sales tax increase, then an income tax hike. Because of the depressed markets for minerals mined in Idaho, he said he would be reluctant to impose a severance tax at this time. However, he would favor continuation of the senior citizen circuit breaker and making the homestead exemption permanent, eliminating the necessity of applying for exemption each year.